

Message Text

LIMITED OFFICIAL USE

PAGE 01 MAPUTO 00983 081216Z
ACTION XMB-04

INFO OCT-01 AF-10 EUR-12 ISO-00 CIAE-00 COME-00 EB-08
INR-10 LAB-04 NSAE-00 SP-02 STR-07 TRSE-00 FRB-03
OMB-01 AGR-01 /063 W
-----129263 090145Z /73/
R 020915Z AUG 78
FM AMEMBASSY MAPUTO
TO SECSTATE WASHDC 7256
INFO AMEMBASSY LONDON

LIMITED OFFICIAL USE MAPUTO 0983

DEPT. PASS EXIMBANK

E.O. 11652: N/A
TAGS: EFIN, EIND, MZ
SUBJECT: SENA SUGAR DEVELOPMENTS

REF: MAPUTO 0941

1. IN RESPONSE TO NEWS OF POTENTIAL LIQUIDATION OF SENA SUGAR ESTATES, LTD., MOZAMBIQUE'S LARGEST SUGAR PRODUCER, BANK OF MOZAMBIQUE (BM) HAS ASKED SENA'S OTHER CREDITORS, INCLUDING EXIMBANK AND ECGD, TO MEET IN LONDON WEEK OF AUGUST 7. SENA'S DIRECTORS HAD POSTPONED A DECISION ON LIQUIDATION AND OFFERED ANOTHER JOINT EQUITY PROPOSAL TO THE MOZAMBIQUE GOVERNMENT JULY 28, BUT INITIAL GPRM REACTION WAS RESERVED.

2. MOZAMBIQUE WILL SEND BN FOREIGN EXCHANGE DIRECTOR ABEL DAVID AND COMMERCE MINISTRY SUGAR OFFICE DIRECTOR CARMEN RAMOS TO LONDON NEXT WEEK AND BRITISH CHARGE WHO SPOKE TO BM GOVERNOR VIEIRA REPORTS MEETING WILL FOCUS ON HOW TO KEEP THE SUGAR ESTATE IN OPERATION. SENA, WHICH LEARNED OF THE LONDON INVITATION FROM EXIMBANK, HAS TOLD BM THAT IT WELCOMES THE DELEGATION AND CREDITORS' MEETING.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MAPUTO 00983 081216Z

3. DURING AUGUST 2 MEETING WITH BM GOVERNOR VIEIRA, AMBASSADOR WAS TOLD BM HAS TELEX FROM EXIM SAYING IT WILL PARTICIPATE IN LONDON MEETING. VIEIRA NOTED SENA SUGAR PRODUCTION IS CURRENTLY LESS THAN HALF CAPACITY, BUT HE BELIEVES PRODUCTION OF 180,00 TONS COULD BE REACHED WITHIN FOUR YEARS IF CORRECTIVE MEASURES TAKEN. VIEIRA SAID IT POSSIBLE SENA'S ADMINISTRATION WOULD GO

INTO LIQUIDATION AND GPRM WOULD HAVE TO ORGANIZE A NEW ADMINISTRATION.

4. BM, AS SENA'S LARGEST CREDITOR, IS PREPARED TO FOREGO INTEREST PAYMENTS FOR SEVERAL YEARS IN GIVING SENA CHANCE TO RECOUP. AT LONDON, BM LIKELY TO PROPOSE THAT ALL SENA CREDITORS AGREE TO A 3-4 YEAR MORITURIUM ON INTEREST PAYMENTS. VIEIRA SAID BM WILL STAND LAST CN LINE FOR FUTURE INTEREST PAYMENTS. VIEIRA HOPES THAT CREDITORS WILL BE WILLING TO CONSIDER PUTTING SOME ADDITIONAL FUNDING INTO SENA ON COMMERCIAL TERMS. VIEIRA DID NOT MENTION SPECIFIC FIGURES BUT OPINED THAT AMOUNT NEEDED IS "NOT LARGE". HE ALSO HOPES THAT TATE & LYLE COULD PROVIDE TECHNICAL EXPERTISE TO REVITALIZE OPERATION.

DE PREE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR
Control Number: n/a
Copy: SINGLE
Draft Date: 02 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MAPUTO00983
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780325-0058
Format: TEL
From: MAPUTO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197808107/aaaadmfm.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d3098b58-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 MAPUTO 941
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1562498
Secure: OPEN
Status: NATIVE
Subject: SENA SUGAR DEVELOPMENTS
TAGS: EFIN, EIND, MZ
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d3098b58-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014